

RUSSIA AND CHINA IN MANCHURIA

by

VERA A. MICHELES

with the aid of the Research Staff of the Foreign Policy Association

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INTRODUCTION

THE crisis which has recently focused attention on Sino-Russian relations with special reference to Manchuria concerns the possession and operation of the Chinese Eastern Railway. This railway, built by a Russian joint-stock company, largely with Russian capital, and operated by Russia and China jointly since 1924, constitutes the shortest route from Leningrad and Moscow to Vladivostok. The maintenance of traffic on this line is of importance not only to Russia, China and Japan, but to all States which have diplomatic or commercial interests in the Far East.

Manchuria, comprising the Three Eastern Provinces of China, has been the object of international rivalry since the Sino-Japanese war of 1894. The various hopes and fears which have centered around this region have been described by Mr. F. H. Hedges, a well-informed correspondent, as follows: "Manchuria is the danger spot of Eastern Asia and is also one of Eastern Asia's greatest promises. It is a land which three nations want and which three nations are struggling either to possess or to control. To China, Manchuria means a buffer state against either Russia or Japan, a source of income, a relief for over-population, and a tremendous amount of what is so dear to the Chinese — 'face.' To Japan, Manchuria means the promise of raw materials for Japanese mills and factories and a market for Japan-made goods, a source of income in other ways and the front line of defense against military aggression from the Asiatic continent. To Russia, Manchuria is the link connecting Moscow with Vladivostok, the possible route to an ice-free port in the East, a source of

income and, at present, a channel for the propagation of Communist doctrine in China and Japan."

The seizure of the Chinese Eastern Railway on July 10 by Chinese authorities, and the subsequent withdrawal of consular and commercial representatives by Russia and China, served to emphasize anew the conflict of interests in Manchuria. After an interval of ten days, during which period the press reported movements of troops along the Manchurian border, the United States took the lead in advocating a peaceful settlement of the dispute. On July 19 Secretary of State Stimson, after consultation with the British, French, Italian and Japanese Ambassadors in Washington, reminded Russia and China of their obligations under the Kellogg Pact, to which both these countries have adhered. On July 22 he received formal assurances from the Russian and Chinese Governments that they intended to abide by the terms of the pact, and to refrain from hostile action over the seizure of the railway except in self-defense. Both governments appear unwilling to accept mediation by a third State. It is now reported that they have taken steps to open direct negotiations looking to the settlement of the dispute.

The factors which underlie the present crisis are closely interwoven with the history of Sino-Russian relations since 1895, and with the policies followed by Russia and Japan in Manchuria. The purpose of this report is to review the steps which led to the construction of the Chinese Eastern Railway, and to summarize recent developments in the Soviet Government's relations with China.

HISTORY OF THE CHINESE EASTERN RAILWAY

NEGOTIATIONS leading to the construction of the Chinese Eastern Railway began in 1896, shortly after Russia had aided China in regaining control of the Liaotung peninsula which had been won from

her by Japan as a result of the war of 1895. In 1891 Russia had undertaken the construction of the Trans-Siberian Railway. The Far Eastern section of this system, built on Russian territory, followed a circuitous

route along the Amur River, north of the Manchurian border. Both for economic and strategic reasons it appeared desirable to build a second section, affording a direct route to Vladivostok through the territory of Manchuria, a region under the control of China.

As a preliminary step the Russian Government had chartered the Russo-Chinese Bank in December 1895. Nominally a Russian joint-stock company, this bank had among its founders four of the principal banks in Paris and a number of French financial leaders. The capital, originally 6,000,000 rubles, was later increased to 11,250,000 gold rubles, in addition to 5,000,000 taels subsequently advanced on permanent deposit by the Chinese Government. After its merger with the Banque du Nord in 1910, the bank became known as the Russo-Asiatic Bank.

SINO-RUSSIAN TREATY OF 1896

In May 1896, at St. Petersburg, representatives of the Russian and Chinese Governments concluded a secret treaty of alliance, the material portions of which read as follows:

"Article I. Every aggression directed by Japan, whether against Russian territory in Eastern Asia, or against the territory of China or that of Korea, shall be regarded as necessarily bringing about the immediate application of the present treaty.

"In this case the two High Contracting Parties engage to support each other reciprocally by all the land and sea forces of which they can dispose at that moment, and to assist each other as much as possible for the victualling of their respective forces. . . .

"Article IV. In order to facilitate the access of the Russian land troops to the menaced points, and to ensure their means of subsistence, the Chinese Government consents to the construction of a railway line across the Chinese provinces of the Amur [i. e. Heilungkiang] and of Guirin (Kirin) in the direction of Vladivostok. The junction of this railway with the Russian railway shall not serve as a pretext for any encroachment on Chinese territory nor for any infringement of the rights of sovereignty of his Majesty the Emperor of China. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank, and the clauses of the Contract which shall be concluded for this purpose shall be duly discussed between

the Chinese Minister in St. Petersburg and the Russo-Chinese Bank. . . ."¹

THE CHINESE EASTERN RAILWAY COMPANY

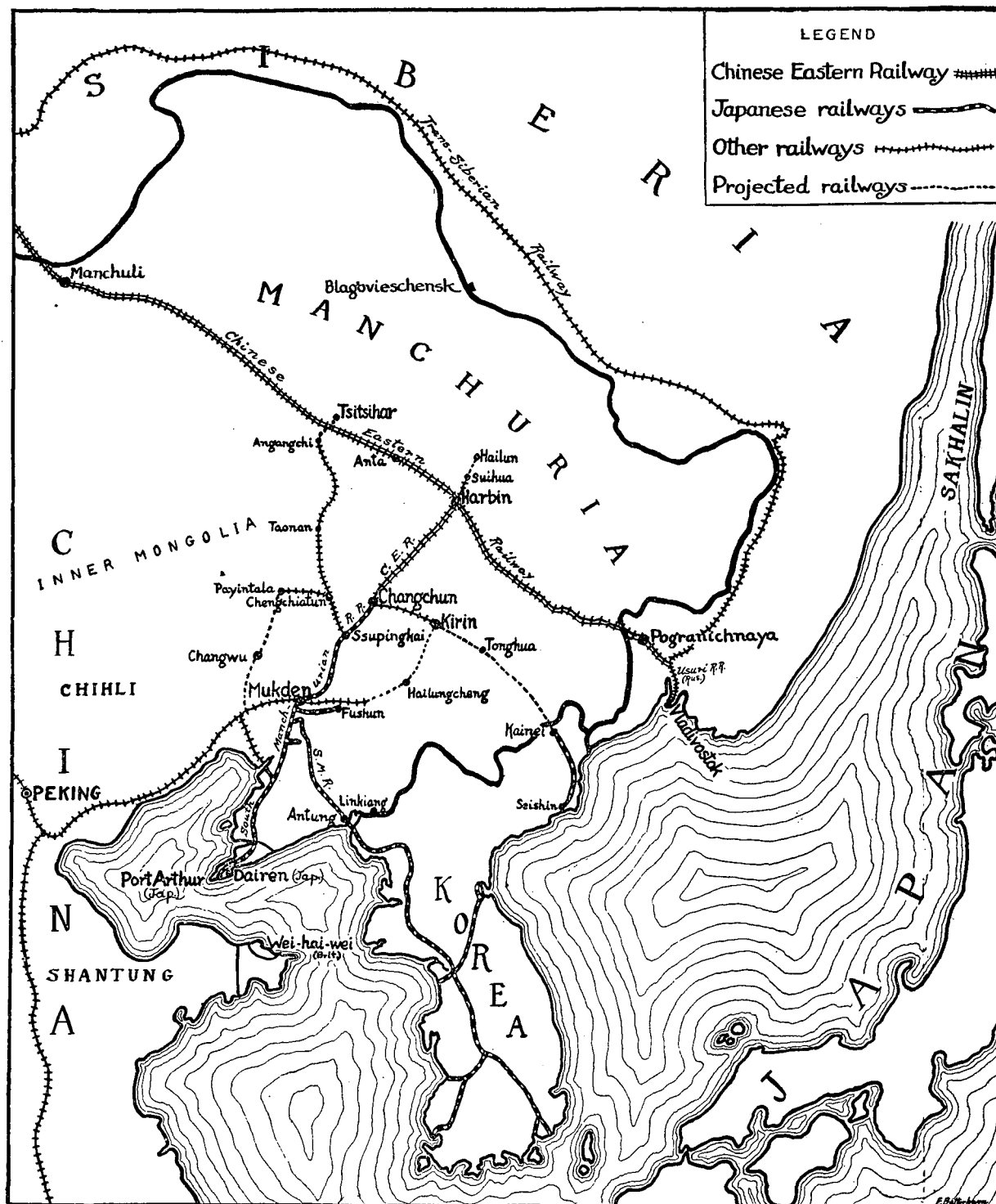
In accordance with the terms of this treaty, a contract was signed in St. Petersburg on September 8, 1896 by the Chinese Minister and delegates of the Russo-Chinese Bank. The Chinese Government agreed to pay the bank 5,000,000 Kuping taels, and to participate in proportion to this amount in the profits and losses of the bank. It granted to the bank a concession for the construction and operation of a railroad establishing direct communication between the city of Chita and the Russian South Ussuri Railway, the easternmost section of the Trans-Siberian system. The bank, for its part, undertook to organize a separate company, the "Chinese Eastern Railway Company," for the actual construction and operation of the railway, under broadly stipulated conditions.

The proposed company was founded as a Russian joint-stock company; its statutes were confirmed by the Imperial Russian Government on December 4-16, 1896 at St. Petersburg. All ceded rights and obligations regarding construction and operation were transferred to the company on that date. The sole control of the line was vested in the company, not merely in connection with the railway, but also with respect to mineral, industrial and commercial exploitation.

The company was capitalized at 5,000,000 rubles, with 1,000 shares. The contract provided that the shares might be held by both Chinese and Russians; the issue, however, was apparently so handled that none of the shares went into Chinese hands. The exact ownership at present of these shares cannot be determined with any degree of accuracy. In addition, bonds were issued under the authorization and guarantee of the Russian Government. These have been estimated at between 350,000,000 and 425,000,000 gold rubles.

The company was granted the right to acquire not only land necessary for the "construction, operation and protection of the line" but also "lands in the vicinity of the

1. MacMurray, J. V. A. *Treaties and Agreements with China, 1894-1919*. Vol. I, p. 81.



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RAILWAY MAP OF MANCHURIA

line," for the purpose of procuring sand, stone, lime and other materials not specified. Further provisions gave the company "the absolute and exclusive right of administration of these lands," and the right to erect buildings of all sorts, as well as to construct telegraph lines for the needs of the railway.

China undertook the responsibility of protecting the railway and its employees against any attack. The company, however, claimed the right to employ its own police for the maintenance of order within the railway zone. This right, which was asserted in the statutes of the company, was never recognized by China.

It was further provided that after the expiration of eighty years from the date of completion the railway was to revert to China free of charge. On the expiration of thirty-six years from the completion of the whole line and its opening for traffic, China was to have the option of buying the railway, upon payment in full of capital, debts and interest.²

Construction of the Chinese Eastern Railway began in 1897. In 1898 China granted Russia, under pressure, the lease of the Liaotung peninsula. At that time the charter of the Chinese Eastern was extended to permit construction of a branch line from Harbin, on the main line, south to Port Arthur and Dairen. This road was known as the South Manchurian branch of the Chinese Eastern Railway.

In the course of construction the company purchased vast tracts of land which were gradually settled by Russian immigrants; as a result, the railway zone became a sphere for Russian influence. During the Boxer rebellion, 1900, Russian troops occupied the Three Eastern Provinces which constitute Manchuria. Clashes with the Chinese occurred at Blagovieschensk, a Chinese settlement on the Amur River, several thousand Chinese were massacred when driven into the river by Russian troops. The prompt suppression of the Boxer rebellion did not, however, result in the withdrawal of Russian forces from Manchuria.

As a result of protests by the United

States and other foreign powers against Russia's encroachments in Manchuria, Russia concluded a convention with China on March 26-April 8, 1902, by which she agreed to the restoration of Chinese authority in Manchuria and undertook to withdraw her troops within eighteen months, subject to certain conditions.³

On July 1, 1903, the Chinese Eastern Railway was opened to traffic, with head offices at Harbin. The total cost of construction was estimated at 350,000,000 rubles. The railway was constructed with a five-foot gauge, in order to correspond to the gauge of Russian railways.

THE RUSSO-JAPANESE WAR

Russia's failure to fulfil the terms of the convention of 1902 was one of the main causes of the Russo-Japanese war. By the terms of the Treaty of Portsmouth, 1905, which brought this war to a close, Russia, with China's consent, transferred to Japan the lease of Port Arthur and Dairen, and that part of the Chinese Eastern Railway extending between Changchun and Port Arthur which is now known as the South Manchurian Railway. An additional article of the treaty provided that Russia and Japan both had the right to maintain guards for the purpose of protecting their respective lines in Manchuria. The number of such guards was not to exceed fifteen per kilometer and was to be fixed by agreement between the two countries.⁴

On December 22, 1905, China and Japan concluded a treaty by which China agreed to the transfer of the above Russian interests to Japan.⁵ In an additional agreement Japan stated that she would withdraw her railway guards whenever Russia took similar action.⁶ Despite the fact that Chang Tso-lin obliged the Russian guards to withdraw several years ago, the Japanese still maintain guards along the South Manchurian Railway.

The United States on several occasions

2. *Statutes of the Chinese Eastern Railway*, MacMurray, *op. cit.*, p. 84. The line was completed in 1903; the option would therefore fall due in 1939.

3. *Convention with regard to Manchuria*, MacMurray, *op. cit.*, p. 326.

4. *Ibid.*, p. 522.

5. *Ibid.*, p. 549.

6. *Ibid.*, p. 551. Cf. F. P. A. *Information Service*, "Recent Japanese Policy in China," Vol. III, No. 16, October 12, 1927.

raised objections to Russia's interpretation of the Chinese Eastern Railway contract, on the ground that it conflicted with the Open Door policy in China. In November 1909 Secretary of State Knox proposed the flotation of an international loan for the purpose of permitting China to redeem the Manchurian railways prior to the time fixed by the various treaties. His proposal, however, encountered vigorous opposition on the part of Russia and Japan, and failed to win the support of France and Great Britain.

In 1909 Russia and China signed a convention regarding the principles which were to govern municipal administration within the railway zone. This convention was sharply criticized by other States. Russia's special position in North Manchuria, however, was virtually recognized in the Anglo-Russian agreement of April 30, 1914, to which the Netherlands, Belgium, Spain, France, Denmark, Italy and Japan subsequently adhered. By this instrument Great Britain, and later the adhering States, agreed that their subjects living in the railway zone should be taxed on the same basis as the Russian inhabitants, on condition that the taxes be used for the common welfare. The nationals of these States were also to be subject to local regulations, but were to be exempt from arrest by Russian police except in case of breach of the peace. The United States did not adhere to this agreement.

INTER-ALLIED CONTROL DURING WORLD WAR

In July 1916 the Czarist government, financially and politically disorganized, concluded a convention with Japan "in regard to cooperation in the Far East." By an additional agreement which has not been officially published, Russia at the same time sold to Japan for 6,000,000 yen seventy-one miles of the Chinese Eastern Railway from Changchun to Laoshakuo on the Sungari River.

Following the Bolshevik coup d'état in 1917, the Chinese Eastern Railway became the object of conflicting claims. The Russian officials in control of the railway were opposed to the Bolshevik régime, and vigorously supported anti-Soviet forces. Japan, alarmed by the possible effect of the revo-

lution on her interests in Manchuria, concluded a number of agreements with China in 1918, providing for closer cooperation between the two countries in the prosecution of war in the Far East. The railway was used at that time for the transportation of Chinese and Japanese troops which were aiding the White Russians in Siberia.

In order to facilitate the military operations of the Allies in Manchuria and Eastern Siberia, as well as to hasten the evacuation of Czechoslovak prisoners stranded in that region, the Allies placed the Chinese Eastern Railway in 1919 under the supervision of an Inter-Allied Technical Board headed by John F. Stevens, an American railway engineer. An agreement concluded by the United States and Japan in January 1919 provided that the Siberian and Chinese Eastern Railways were to be temporarily operated by the Board with a view to their ultimate return to those in interest, without the impairing of any existing rights.⁷

On October 2, 1920, China entered into an agreement with the Russo-Asiatic Bank, which claimed to be the sole shareholder of the railway. Under this agreement the Chinese Government, in view of the absence of a recognized government in Russia, took over temporarily the supervision of the railway normally exercised by the Russian Government. The Russian administration and police were abolished; their work was entrusted to the local Chinese authorities. A new board of directors was established, with five Chinese and five Russian (anti-Soviet) members, the president being Chinese and the vice-president Russian. This agreement was opposed by the Soviet Government, which was not, however, in a position to take any action at that time.

THE WASHINGTON CONFERENCE, 1921-1922

No agreement was reached at the Washington Conference regarding the disposal of the Chinese Eastern Railway, beyond the following resolution which was unanimously adopted:

"Resolved, That the preservation of the Chinese Eastern Railway for those in interest requires that better protection be given to the

7. *Agreement Regarding Inter-Allied Supervision of Siberian Railway System*, MacMurray, op. cit., p. 82.

railway and the persons engaged in its operation and use; a more careful selection of personnel to secure efficiency of service, and a more economical use of funds to prevent waste of the property.

"That the subject should immediately be dealt with through the proper Diplomatic channels."⁸

The States represented at the conference, with the exception of China, united in a further resolution which reads as follows:

"The Powers other than China in agreeing to the resolution regarding the Chinese Eastern Railway, reserve the right to insist hereafter upon the responsibility of China for the performance or non-performance of the obligations towards the foreign stockholders, bondholders and creditors of the Chinese Eastern Railway Company which the Powers deem to result from the contracts under which the railroad was built and the action of China thereunder and the obligations which they deem to be in the nature of a trust resulting from the exercise of power by the Chinese Government over the possession and administration of the railroad."⁹

It must further be noted that at this conference the United States, Great Britain, France and Japan concluded a treaty relating to their insular possessions and insular dominions in the region of the Pacific Ocean, commonly known as the Four-Power Treaty. The material portions of this treaty read as follows:

"Article I. The High Contracting Parties agree as between themselves to respect their rights in relation to their insular possessions and

insular dominions in the region of the Pacific Ocean.

"If there should develop between any of the High Contracting Parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other High Contracting Parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

"Article II. If the said rights are threatened by the aggressive action of any other Power, the High Contracting Parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation."¹⁰

On October 31, 1922, the Inter-Allied Technical Board at Harbin brought its administration of the Chinese Eastern Railway to a close. In a note of that date the United States confirmed the resolutions of the Washington Conference with respect to the Chinese Eastern Railway and reserved all its rights relating to advances in money and material made directly or indirectly to the railway. The United States reiterated its desire that the railway should ultimately be returned "to those in interest," as well as its concern for the efficient operation of the railway and "its maintenance as a free avenue of commerce open to citizens of all countries without favor or discrimination."

CHINA'S RELATIONS WITH RUSSIA, 1920-1924

It has already been pointed out that during the period of civil war and intervention in Russia, China had cooperated with the Allies in their support of anti-Soviet forces. Subsequently, however, the form and methods of the Soviet Government met with considerable sympathy on the part of Chinese students, a number of whom visited Russia and attended Russian universities after 1919. The Third (Communist) International, with headquarters in Moscow, furthered the formation in China of a militant Communist group which would act, it was expected, as an outpost in the world revolution against capitalism and imperialism.

In 1920 a Communist party was organized in China; it pursued an intensive propaganda campaign among students and laborers in Peking, Shanghai and Hongkong.

In August 1922 the Soviet Government sent M. Joffe to China with instructions to open negotiations with the Peking government. The Chinese, however, demanded the evacuation of Outer Mongolia as a condition precedent to negotiations. Finding that China was not yet prepared to resume relations with Russia, M. Joffe left for Japan by way of Shanghai. In Shanghai he visited Dr. Sun Yat Sen, the founder of the Kuomintang party, then in exile. On January 26,

8. Resolution No. 12, *Conference on the Limitation of Armament, Washington, November 12, 1921-February 6, 1922*, p. 1658.

9. Resolution No. 13, *op. cit.*, p. 1658.

10. *Washington Conference for the Limitation of Armament*, cited, p. 1612.

1923, Dr. Sun Yat Sen and M. Joffe issued a joint statement, in which they agreed that conditions in China were not favorable to the establishment of "the Communistic order or even the Soviet system"; that the Chinese Eastern Railway question in its entirety could be satisfactorily settled at "a competent Russo-Chinese conference," but only after consultation with General Chang Tso-lin, then in control of Manchuria; and that immediate evacuation of Outer Mongolia by Russia was neither imperative nor in the real interest of China.¹¹

That Dr. Sun Yat Sen's interest in Communist methods was far from academic may be judged by the fact that in 1924, when he decided to proceed with the reorganization of the Kuomintang, he invited a Russian, Michael Borodin, to become one of his advisers. The Kuomintang Congress held in 1924 voted to admit Communists to the party, provided they accepted Kuomintang principles. The fusion of Communist and non-Communist elements, however, was never completely effected, with the result that frequent conflicts occurred regarding matters of policy.

THE PEKING AND MUKDEN AGREEMENTS OF 1924

In September 1923 M. Karakhan, now Acting People's Commissar for Foreign Affairs,¹² had arrived in China for the purpose of renewing negotiations with the Peking government. He succeeded in concluding two agreements on May 31, 1924: the "Agreement on General Principles"¹³ and the "Agreement for the Provisional Management of the Chinese Eastern Railway."¹⁴ The first of these agreements provided for the immediate resumption of normal diplomatic and consular relations between the two countries, and constituted recognition of the Soviet Government by China. It laid down the principles on the basis of which the status of the Chinese Eastern Railway was to be definitively determined at a subsequent conference. The Soviet Government conceded to the Chinese Government judicial

and administrative powers in the railway zone. It likewise agreed to the eventual redemption by the Chinese Government, with Chinese capital, of the railway and all appurtenant properties. The future of the line was to be determined solely by the two governments, to the exclusion of any third party or parties.

The agreement, moreover, contained far-reaching political provisions. The Soviet Government recognized Outer Mongolia as an integral part of China. It agreed to renounce the special rights and privileges relating to all concessions in any part of China acquired by the Czarist government; to relinquish the rights of extraterritoriality and consular jurisdiction; and to draw up a customs tariff in accordance with the principles of equality and reciprocity. All treaties and agreements concluded by the Czarist government with China were to be annulled at the proposed conference, and to be replaced by new treaties and agreements "on the basis of equality, reciprocity and justice." Article VI made important provisions regarding propaganda:

"The Governments of the two Contracting Parties mutually pledge themselves not to permit, within their respective territories, the existence of any organizations or groups whose aim is to struggle by acts of violence against the Governments of either Contracting Party.

"The Governments of the two Contracting Parties further pledge themselves not to engage in propaganda directed against the political and social system of either Contracting Party."

In a declaration attached to the agreement the Chinese Government stated that it "will not and does not recognize as valid any treaty, agreement, etc., concluded between Russia since the Czarist régime and any third Party or Parties affecting the sovereign rights and interests of the Republic of China."

The "Agreement for the Provisional Management of the Chinese Eastern Railway" provided for the establishment of a Board of Directors composed of ten members: five of the members, including the president, were to be appointed by the Chinese Government, and five, including the vice-president, were to be appointed by the Russian Government. The manager of the railway was to be a

11. *The China Year Book*, 1928, p. 1318; Williams, E. T. *A Short History of China*, p. 596-597.

12. M. Chicherin and M. Litvinov are both on leave of absence.

13. *League of Nations Treaty Series*, Vol. XXXVII (1925), p. 176.

14. *Ibid.*, p. 194.

Russian, with one Russian and one Chinese assistant general manager. Nationals of the two countries were to be employed on the railway in accordance with the principle of equal representation. In an appended declaration, however, it was stated that "the application of this principle is not to be understood to mean that the present employees of Russian nationality shall be dismissed for the sole purpose of enforcing the said principle." It was further understood "that access to all posts is equally open to citizens of both Contracting Parties, that no special preference shall be shown to either nationality, and that the posts shall be filled in accordance with the ability and technical as well as educational qualifications of the applicants." As late as August 1927 there were 15,000 Russians and 6,000 Chinese employed on the staff of the Chinese Eastern Railway.

THE PEKING CONFERENCE

The conference referred to in the "Agreement on General Principles" was finally held in Peking in 1926; no definitive results, however, were achieved. In the meantime the Soviet Government had concluded an agreement on September 20, 1924, in Mukden, with Chang Tso-lin, then Governor of Manchuria, and in open revolt against the Chinese Central Government with which Russia had diplomatic relations.¹⁵ Chang Tso-lin was described in the preamble as "the Autonomous Government of the Three Eastern Provinces of the Republic of China"; reference was made to proposed action by the "Republic of China" and by "Chinese authorities." The Mukden agreement summarized the technical provisions of the two Peking agreements, and contained an identical clause with regard to propaganda. It differed from the Peking agreements, however, in specifically providing that the concession period of eighty years mentioned in the original contract of 1896 was to be reduced to sixty years, at the expiration of which "the line with all its appurtenances will pass free of charge to the Chinese Government." There is no evidence that the present Nationalist Government has

explicitly recognized the Mukden agreement as valid and binding upon itself. If tacit recognition may be presumed from the fact that the agreement has not been repudiated by the Nationalist Government, the question arises whether the status of the Chinese Eastern Railway is now determined by the Mukden or the Peking agreement.

Following the conclusion of the Peking and Mukden agreements the Chinese Eastern Railway became the object of a three-cornered rivalry on the part of Russia, China and Japan, with control of Manchuria as the ultimate stake. In 1925 Russian ships were deprived of the privilege of navigating the Sungari River. In February 1926 the Chinese authorities attempted to dissociate the land question from that of railroad administration, and closed the land offices which had been functioning for that purpose. In retaliation for this act, and by way of protest against the use of the railroad by Chinese troops without payment of fares in advance, the Russian manager, M. Ivanov, ordered complete suspension of traffic along the entire line. He was arrested by the Chinese, but released at the demand of the Soviet Government. The Chinese authorities insisted in 1927 that half the revenues of the Chinese Eastern Railway, accumulated and future, should be deposited in Chinese banks.

A traffic war between the Chinese Eastern Railway, operated jointly by Russia and China, and the South Manchurian Railway, controlled by the Japanese, threatened for a time the relations of Russia and Japan in Manchuria. A rate agreement was finally concluded, to the effect that 55 per cent of the eastbound traffic of the Trans-Siberian Railway should be diverted to Harbin toward the South Manchurian line, while the remaining 45 per cent should continue over the Chinese Eastern Railway to Vladivostok.

DECLINE OF COMMUNIST INFLUENCE

In the meantime the tension which had existed between the Communist and non-Communist groups in the Kuomintang since 1924 had reached a breaking-point. General Chiang Kai-shek, who had assumed com-

¹⁵. The text of this agreement is found in *The China Year Book*, 1925, p. 787.

mand of the Nationalist armies, was opposed to Communism in China and did not conceal his hostility to the Soviet Government. In 1925 it was reported that the Soviet Government had entered into an agreement with the "Christian General," Feng Yu-hsiang, promising to supply him with arms and money on condition that he should place no obstacles to the spread of Communist propaganda in the districts under his control. In 1927 the Nationalist Government definitely abandoned the policy of cooperation with the Communists, and took drastic measures to suppress Communism in China. The program of the Nationalist Government has since then been severely criticized by General Feng on the ground that it shows an increasing tendency to favor the interests of the bourgeoisie, and to slight the needs of the Chinese proletariat.

The Nationalist Government's attitude toward Communism was not calculated to strengthen its relations with Russia. On April 6, 1927, the Chinese authorities raided the premises of the Russian Embassy in Peking. The Nationalist Government claimed that Soviet agents had used the Embassy as their headquarters in active Communist propaganda directed at the suppression of capitalism and imperialism in China. A number of incriminating documents which, it was alleged, had been found in the office of the Soviet Military Attaché were subsequently published by the Chinese authorities.

The Soviet Government vigorously protested against this raid, declaring that it constituted "an unprecedented breach of the elementary principles of international law." The Nationalist Government replied that members of the Soviet Embassy had violated the Sino-Soviet Agreement of 1924 in so far as it referred to propaganda. The Soviet Government made the following statement in a note dated April 9, 1927:

"Any imperialistic government whose representatives have been submitted to similar acts of violence, would have retaliated with acts of most atrocious repressions. Though the Soviet Government possesses sufficient technical resources to resort to enforcing their demands by repressive

measures, they nevertheless declare that they positively desist from such measures. . . . The Soviet Government was, is and will be guided in their policy by the interests of the toiling masses of the whole world and among others by the interests of the mass of the Chinese people and the labour classes of all countries. In reply to the Peking provocation, which aims at the aggravation of the international situation and tends to change the war that is practically being waged by some imperialistic powers against China, into a new world-war, the Soviet Government declares that they will not let themselves be provoked by anybody and will by all means maintain peace among the nations. The Soviet Government does not doubt that in its endeavor to maintain peace it will have the concerted support of the toiling masses of all countries and, among others, first of all of the people of China and of the U.S.S.R."¹⁶

The Soviet Government, unable to obtain satisfaction, recalled its Chargé d'Affaires in April 1927, and thereafter maintained only consular and commercial relations with China.¹⁷ Stalin's determination to avoid an open breach with the Nationalist Government was denounced by Trotzky as "opportunism" and "a Menshevik policy of union with Chiang Kai-shek."¹⁸

The Nationalist Government continued to meet with opposition on the part of the Communist groups in China. In the spring of 1929 it succeeded in suppressing a Communist uprising in Kiangsi. On May 24 General Feng, who had hitherto maintained a neutral attitude, notified the foreign envoys in Peiping (Peking) that he proposed to overthrow the "illegal and unrepresentative government of Nanking," and reiterated his opposition to the bourgeois policy of the Nationalist Government. It was again reported that Feng was receiving financial assistance from the Soviet Government. Acting upon these reports, the Chinese authorities raided the Soviet Consulate-General in Harbin on May 27. No documents directly incriminating Feng, however, appear to have been found.

16. *The China Year Book*, 1928, p. 794.

17. For texts of correspondence between the two governments regarding the Peking raid, cf. *The China Year Book*, 1928, p. 789-820.

18. Trotzky, Leon. *The Real Situation in Russia*, p. 154. York, Harcourt, Brace, 1928, p. 154.

RECENT DEVELOPMENTS

The Soviet Government protested against the Harbin raid, and threatened to abrogate the Peking agreement of 1924, by which it had surrendered extraterritorial rights in China. Dr. C. T. Wang, the Chinese Minister of Foreign Affairs, adopted a conciliatory attitude; he denied that the Nationalist Government had had any connection with the Harbin raid, and offered to make a thorough investigation of the matter.

Before such an investigation could take place, the Chinese authorities in Harbin arrested on July 10 over 100 officials and employees of the Chinese Eastern Railway, and immediately escorted a number of them to the border; among them was the Russian managing director, M. Emshanov. General Chang Ching-hui, Governor of the Harbin district, ordered the closing of all branches of the Union of Russian Railway Employees and of the offices of all Soviet corporations in Manchuria. Communication between the Russians in Harbin and the Soviet Government was prevented by the seizure of the telephone and telegraph systems of the railway. Shan Chi-khan, the Chinese assistant general manager, was appointed to take over control of the railway. He announced that a number of White Russians, formerly in the employ of the railway, would now be reinstated.

The president of the Board of Directors of the railway, Lu Yung-huang, stated in an official communiqué that "the present drastic measures" had been made necessary by Russia's non-observance of the Mukden agreement of 1924. Moreover, he said, documents seized in the course of the raid on the Soviet Consulate in Harbin had disclosed active Communist propaganda on the part of all Soviet agencies connected with the railway. He therefore took steps "to safeguard China's interests in the Chinese Eastern Railway. If Russia resorts to retaliatory measures, China is prepared to deal effectively with them."

On July 14 the Soviet Government presented an ultimatum to the Chinese Chargé d'Affaires in Moscow, in which it declared that it would resort "to other means in defense of the legal rights of the Union of So-

viet Socialist Republics" unless the Nationalist Government agreed, within three days, to a peaceful adjustment of the Harbin incident. The Soviet Government declared itself willing to enter into negotiations with regard to all questions connected with the Chinese Eastern Railway; such negotiations, however, were conditioned on the immediate release of the arrested Russian citizens, and on the cancellation by the Nationalist Government of all orders relating to the seizure of the railway. To this ultimatum the Nationalist Government replied on July 16 by demanding that the Soviet Government should release all Chinese citizens imprisoned in Russia and should give them adequate protection from possible aggression. Claiming that this answer was unsatisfactory, the Soviet Government recalled its consular and commercial representatives on July 18.

In a manifesto issued on July 21 President Chiang Kai-shek briefly reviewed Sino-Soviet relations since 1920, and emphasized the tolerance which the Nationalist Government had shown in the past toward Soviet representatives in China. Referring to the seizure of the railway, he stated that "such remedial methods of dealing with the situation were within the realm of necessity, because the Chinese Government and people, with their tradition for peace, would never over-reach themselves unless forced to do so."

On the same date Dr. C. T. Wang asserted that the Nationalist Government was not hostile to the Soviet Government; it was determined, however, to put an end to Communist propaganda once and for all. "It is absolutely incorrect to infer," he added, "that we have nullified Russian interests in the railway." Finally, he drew a distinction between Russian undertakings in China and other foreign enterprises:

"No power need fear that foreign enterprises in China for legitimate purposes will suffer. It is a fixed policy of the Nationalist Government always to use proper diplomatic procedure according to established principles of international law, for the settlement of outstanding issues with foreign powers."